

Message Text

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ORIGIN EA-10

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CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05

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FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR PRIORITY

UNCLAS STATE 093519

E.O. 11652: N/A

TAGS:

SUBJECT: MALAYSIAN LEGISLATION ON OIL DISTRIBUTION

REF: KUALA LUMPUR 2197

1. TEXT OF HICKENLOOPER AMENDMENT TO FOREIGN ASSISTANCE
ACT READS AS FOLLOWS:

THE PRESIDENT SHALL SUSPEND ASSISTANCE TO THE GOVERNMENT
OF ANY COUNTRY TO WHICH ASSISTANCE IS PROVIDED UNDER THIS OR
ANY OTHER ACT WHEN THE GOVERNMENT OF SUCH COUNTRY OR ANY
GOVERNMENT AGENCY OR SUBDIVISION WITHIN SUCH COUNTRY ON OR
AFTER JANUARY 1, 1962

(A) HAS NATIONALIZED OR EXPROPRIATED OR SEIZED OWNER-
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SHIP OR CONTROL OF PROPERTY OWNED BY ANY UNITED STATES
CITIZEN OR BY ANY CORPORATION, PARTNERSHIP, OR ASSOCIATION
NOT LESS THAN 50 PER CENTUM BENEFICIALLY OWNED BY UNITED
STATES CITIZENS, OR

(B) HAS TAKEN STEPS TO REPUDIATE OR NULLIFY EXISTING CONTRACTS OR AGREEMENTS WITH ANY UNITED STATES CITIZEN OR ANY CORPORATION, PARTNERSHIP, OR ASSOCIATION NOT LESS THAN 50 PER CENTUM BENEFICIALLY OWNED BY UNITED STATES CITIZENS, OR

(C) HAS IMPOSED OR ENFORCED DISCRIMINATORY TAXES OR OTHER EXACTIONS, OR RESTRICTIVE MAINTENANCE OR OPERATIONAL CONDITIONS, OR HAS TAKEN OTHER ACTIONS, WHICH HAVE THE EFFECT OF NATIONALIZING, EXPROPRIATING, OR OTHERWISE SEIZING OWNERSHIP OR CONTROL OF PROPERTY SO OWNED.

AND SUCH COUNTRY, GOVERNMENT AGENCY, OR GOVERNMENT SUBDIVISION FAILS WITHIN A REASONABLE TIME (NOT MORE THAN SIX MONTHS AFTER SUCH ACTION, OR, IN THE EVENT OF A REFERRAL TO THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES WITHIN SUCH PERIOD AS PROVIDED HEREIN, NOT MORE THAN TWENTY DAYS AFTER THE REPORT OF THE COMMISSION IS RECEIVED) TO TAKE APPROPRIATE STEPS, WHICH MAY INCLUDE ARBITRATION, TO DISCHARGE ITS OBLIGATIONS UNDER INTERNATIONAL LAW TOWARD SUCH CITIZEN OR ENTITY, INCLUDING SPEEDY COMPENSATION FOR SUCH PROPERTY IN CONVERTIBLE FOREIGN EXCHANGE, EQUIVALENT TO THE FULL VALUE THEREOF, AS REQUIRED BY INTERNATIONAL LAW, OR FAILS TO TAKE STEPS DESIGNED TO PROVIDE RELIEF FROM SUCH TAXES, EXACTIONS, OR CONDITIONS, AS THE CASE MAY BE; AND SUCH SUSPENSION SHALL CONTINUE UNTIL THE PRESIDENT IS SATISFIED THAT APPROPRIATE STEPS ARE BEING TAKEN, AND THE PROVISIONS OF THIS SUBSECTION SHALL NOT BE WAIVED WITH RESPECT TO ANY COUNTRY UNLESS THE PRESIDENT DETERMINES AND CERTIFIES THAT SUCH A WAIVER IS IMPORTANT TO THE NATIONAL INTERESTS OF THE UNITED STATES. SUCH CERTIFICATION SHALL BE REPORTED IMMEDIATELY TO CONGRESS.

2. TEXT OF GONZALES AMENDMENT:

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THE PRESIDENT SHALL INSTRUCT THE UNITED STATES EXECUTIVE DIRECTORS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION TO VOTE AGAINST ANY LOAN OR OTHER UTILIZATION OF THE FUNDS OF THE BANK AND THE ASSOCIATION FOR THE BENEFIT OF ANY COUNTRY WHICH HAS

(1) NATIONALIZED OR EXPROPRIATED OR SEIZED OWNERSHIP OR CONTROL OF PROPERTY OWNED BY ANY UNITED STATES CITIZEN OR BY ANY CORPORATION, PARTNERSHIP, OR ASSOCIATION NOT LESS THAN 50 PER CENTUM OF WHICH IS BENEFICIALLY OWNED BY UNITED STATES CITIZENS;

(2) TAKEN STEPS TO REPUDIATE OR NULLIFY EXISTING
CONTRACTS OR AGREEMENTS WITH ANY UNITED STATES CITIZEN
OR ANY CORPORATION, PARTNERSHIP, OR ASSOCIATION NOT LESS

THAN 50 PER CENTUM OF WHICH IS BENEFICIALLY OWNED BY UNITED
STATES CITIZENS; OR

(3) IMPOSED OR ENFORCED DISCRIMINATORY TAXES OR OTHER
EXACTIONS, OR RESTRICTIVE MAINTENANCE OR OPERATIONAL
CONDITIONS, OR HAS TAKEN OTHER ACTIONS, WHICH HAVE THE
EFFECT OF NATIONALIZING, EXPROPRIATING, OR OTHERWISE
SEIZING OWNERSHIP OR CONTROL OF PROPERTY SO OWNED;

UNLESS THE PRESIDENT DETERMINES THAT (A) AN ARRANGEMENT FOR
PROMPT, ADEQUATE, AND EFFECTIVE COMPENSATION HAS BEEN MADE,
(B) THE PARTIES HAVE SUBMITTED THE DISPUTE TO ARBITRATION
UNDER THE RULES OF THE CONVENTION FOR THE SETTLEMENT OF
INVESTMENT DISPUTES, OR (C) GOOD FAITH NEGOTIATIONS ARE IN
PROGRESS AIMED AT PROVIDING PROMPT, ADEQUATE, AND EFFECTIVE
COMPENSATION UNDER THE APPLICABLE PRINCIPLES OF INTER-
NATIONAL LAW.

THIS LANGUAGE IS IN SEVERAL STATUTES WHICH GOVERN OUR
PARTICIPATION IN MULTINATIONAL DEVELOPMENT BANKS, INCLUDING
SECTION 12 OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION
ACT AND SECTION 18 OF THE ASIA DEVELOPMENT BANK ACT. KISSINGER

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<< END OF DOCUMENT >>

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